The Honorable Bob Stump Arizona Corporation Commission Commissioners Wing 1200 W. Washington - 2nd Floor Phoenix, Arizona 85007

OPEN MEETING AGENDA ITEM E-01345A-12-0290 E-01345A-10-0394 E-01933A-12-0296

Dear Commissioner Stump:

I am personally affected by the actions of the Commission on January 23 w stop providing most commercial solar incentives. I had six 1MWac commercial solar projects in development for months which came to a sudden halt upon news of the Commission's actions. 3 of the 6 projects had already been awarded and were in the contracting phase. The remaining 3 had extensive work already conducted including site visits, engineering plans, etc. and were awaiting final customer approval. Each of these projects came to a sudden stop with the Commission's thoughtless actions.

I say thoughtless because you allowed a dramatic change from the previous 7 months of industry input and comments, to be completely undone in the last session and last hours. You effectively destroyed 70-90 good paying full-time jobs for an entire year (or 210 part-time jobs for a portion of the year) that were scheduled to start in year 2013-I am just referring to jobs related to my directly-impacted solar projects.

I am aware of other customers and other commercial solar projects—at least an additional 8 large commercial projects that were similarly impacted and came to a sudden stop, thereby eliminated those jobs too—with approximately 280 part time jobs or 90-100 full time jobs (FTE). Most of these iobs are mechanical construction and electrical trades.

While the cost of solar systems has come down dramatically over the past 3 years and the various solar providers in the industry have reduced dependence on incentives—the industry today is not quite ready for a subsidy-free market (although we are close). The effective internal rate of return for projects without the commercial incentives is not low enough to entice most investors and banks to fund commercial projects without them. As such, your decision to halt most commercial incentives also blocks finance companies from investing new funds in clean solar in the state.

When incentives are dropped without warning, it causes quite a backlash of stranded projects and wasted work. A careful and well-thought-out decline in incentives is preferred and will allow industry, customers, and projects like I have been working on, to plan accordingly and be done in accordance with declining system prices.

I ask that you revisit these matters, and help foster a self-sustaining solar industry in the state. The Commission has invested millions already...why pull the rug out from under its own feet before achieving a sustainable industry? The current actions will shrink the solar industry. Please reopen the REST docket in the near future and reinstate commercial incentives for all customers (not just non-profit government clients and schools).

Benjamin S. Collinwood

Director of National Accounts,

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Arizona Corporation Commission

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Cc:

Commissioner **Susan Bitter-Smith** Commissioner **Bob Burns**

Commissioner **Brenda Burns** Commissioner **Gary Pierce**

Jodi Jerich, Executive Director Steven Olea, Utilities Division Director

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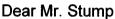
from: Eric Medlin 3730 S. Wilson St. Tempe, AZ 85282

to: The Honorable Bob Stump

Arizona Corporation Commission Commissioners Wing

1200 W. Washington - 2nd Floor

Phoenix, Arizona 85007



My name is Eric Medlin, I am a 65 year old second generation Arizona native. I am a retired Engineer from Honeywell Aerospace and I vote. I have a sincere concern that Solar incentives are being changed by you. I have lived through previous times that you have offered solar incentives and then later stopped them prematurely. And as a little aside to this, I also got totally SCREWED on the last Alterate Fuel fiasco. Anyway, I have solar systems on both my Tempe and Prescott houses and am very happy with their performances. I also own an electric Leaf, so you might say I am doing my share in the "Green" department. I would hate to think that others might not be given the same opportunity that I was afforded. I understand that ultimately it will not be necessary to offer incentives for these programs but, believe me, we are not anywhere near there yet. As with computers, it will take a long while before the volume of these systems will increase to a level where no incentive will be necessary. My first computer cost me \$2400 dollars as compared to today's prices of \$300 or \$400, the difference being I needed that first computer and most people don't perceive a need for solar system yet. Please don't repeat the premature abandonment of thes programs as you have done in the past.

Sincerely

Eric Medlin

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